

Proposed Budget Executive Summary

Capital Improvements Program

The Fiscal Year 1999 Proposed Capital Improvements Program (CIP) Budget totals \$452,816,884, which represents an increase of \$81,744,785 or 22% from the Fiscal Year 1998 Budget. Sewer projects comprise over 50% of the total CIP Budget. The major CIP components are summarized as follows:

PROGRAM	FY 1999 CIP Budget (In millions)	% of FY 1999 CIP Budget
Sewer	\$231.6	51.1%
Water	106.0	23.4%
Streets	62.3	13.8%
Park & Recreation	10.3	2.3%
Police	9.9	2.2%
Refuse Disposal	9.8	2.2%
Storm Drain & Flood Control	8.5	1.9%
Fire	3.4	0.8%
Traffic Control	2.1	0.5%
All Other	8.9	2.0%
TOTAL	\$452.8	100.0%

The changes in the Capital Improvements Program between Fiscal Year 1998 and Fiscal Year 1999 reflect projected scheduling adjustments as well as available funding.

Sewer Fund capital projects include \$231.6 million to continue the planned \$2.5 billion upgrade of the City's metropolitan and municipal wastewater system. This includes the South Bay Water Reclamation Plant, Metro Biosolids Center, the continuation of the South Bay Ocean Outfall and commencing of the Dairy Mart Road and Bridge Improvements.

The scheduling of Water Fund capital improvement projects is consistent with available funding and reflects costs associated with maintaining the existing water infrastructure. Over the next eight years, \$773 million is scheduled for CIP Water projects, including water treatment plants, storage and delivery systems, storage reservoirs, pump plants and cast iron water main replacements. These improvements will allow the Water Department to continue to reliably supply San Diegans with safe, clean water meeting the requirements of the 1996 Safe Drinking Water Act.

Major Fiscal Year 1999 facility improvements under construction include the Central Area Police Station. In addition, voter approval is being sought in June 1998 for the expansion of the Convention Center which will increase the existing facility by 931,864 gross square feet, increase the loading dock by 80%, and provide a 40,000 square foot ballroom. Final design and construction of the San Diego Main Library is pending further City Council action which may include placing the project on the November 1998 ballot.

It is important to note that the City's CIP funding is generally restricted and many significant unfunded capital needs still need to be met. The unfunded capital needs identified in the Fiscal Year 1999 Proposed Budget total \$85.9 million. In addition, the proposed budget contains significant modifications from the Fiscal Year 1998 planned CIP due to El Niño related weather patterns. A number of projects in the current six-year CIP are recommended for deferral in order to repair damaged infrastructure, principally collapsed storm drains. (See volumes IV and V of the Budget Document for more detail on the Capital Improvements Program).